

# COUNTY OF LOS ANGELES

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## DEPARTMENT OF MENTAL HEALTH

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April 23, 2008

TO: Each Supervisor

FROM: Marvin J. Southard, D.S.W.  
Director of Mental Health

SUBJECT: **ADVANCE NOTIFICATION OF INTENT TO ENTER INTO SOLE SOURCE CONTRACT NEGOTIATIONS WITH THE UNIVERSITY OF SOUTHERN CALIFORNIA CARE MEDICAL GROUP, INC.**

This memo is to comply with the Chief Administrative Officer, David E. Janssen's September 1999 letter regarding contracting policy requirements for sole source contracts. It is the Los Angeles County Department of Mental Health's (DMH) intent to enter into sole source contract negotiations with the University of Southern California Care Medical Group, Inc. (USC) located at 1510 San Pablo St., 6<sup>th</sup> floor, Los Angeles, CA 90033-4613.

Over the past year the recruitment of physicians has continued to be a significant problem, a situation exacerbated by the drain of the available physician applicant pool to the State Correctional and Hospital system, where salaries far exceed those offered by the County. Due to a shortage of physicians and the transfer of the Los Angeles County + University of Southern California (LAC+USC) Medical Center outpatient services from the Department of Health Services (DHS) on July 1, 2008, DMH proposes to enter into a new Consultant Services Agreement with USC to provide physician services for new outpatient Family-Focused Treatment Services (FFTS) at LAC+USC.

DMH plans to transition DHS' traditional psychiatric outpatient program into a new, family-focused outpatient service that promotes DMH's system-wide transformation of service delivery from traditional services to a Recovery Model of service delivery in accordance with the Department's Mental Health Services Act (MHSA) Community Services and Supports (CSS) Plan. The unit will be known as LAC+USC FFTS. The FFTS will provide a model center for the education and training of a variety of mental health specialists, beginning with psychiatry residents and expanding to include psychologists, social workers and other disciplines.

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In addition, the new Agreement will provide on-call psychiatric coverage at the Augustus F. Hawkins (AFH) Urgent Care Center (UCC) between the hours of 10:00 p.m. and midnight on weekdays and for up to eight hours per day on weekends and holidays (specific hours to be based upon the needs of the UCC). DMH currently has a Purchase of Services Order with the USC physicians to provide coverage for the AFH UCC through June 30, 2008. Upon Board approval, this proposed Agreement would be effective July 1, 2008.

USC is uniquely qualified to provide physician services for the LAC+USC FFTS and on-call coverage at AFH UCC in that it currently provides psychiatric services for Psychiatric Emergency Services (PES), outpatient, and inpatient programs at LAC+USC and AFH under the Medical School Operating Agreement with DHS. In addition, USC operates the DMH-contracted UCC at LAC+USC that works collaboratively with the DHS PES, inpatient, and outpatient programs to ensure an integrated continuum of psychiatric care intended to reduce the demand on the PES and inpatient services and promote recovery-oriented, community-based mental health care.

The total annual amount for the requested services, beginning with Fiscal Year 2008-2009, is \$892,500: \$852,000 for the FFTS and \$40,000 for after-hours coverage at AFH UCC, funded by MHSA funding. The new Agreement with USC will include psychiatry residents training with service delivery and overhead, including tithes, related to the cost of providing such supervision, teaching, and academic services by the University of Southern California.

Unless otherwise instructed by a Board office, DMH will proceed with negotiating the sole source contract within two weeks. DMH will work closely with both the Office of the County Counsel and the Chief Executive Office in preparing a new Consultant Services Agreement with the University of Southern California Care Medical Group, Inc.

MJS:TB:MM:mm

c: Chief Executive Officer